



May 31, 2023

The Honorable Alex Padilla
Chairman
Fisheries, Water, and Wildlife Subcommittee
United States Senate
Washington, DC 20510

The Honorable Cynthia Lummis
Ranking Member
Fisheries, Water, and Wildlife Subcommittee
United States Senate
Washington, DC 20510

Dear Chairman Padilla and Ranking Member Lummis,

Thank you for the opportunity to submit this statement for the record of today’s hearing on “Water Affordability and Small System Assistance.” We appreciate the subcommittee taking the time to focus on this important issue.

AMWA represents the nation’s largest publicly owned drinking water systems, and our members pride themselves in providing their customers with clean, consistent, and affordable drinking water. However, there are significant costs associated with obtaining, treating, and delivering water to the tap, and these costs are ultimately borne by our ratepayers. As a nation, we must do everything we can to ensure that options are in place so that no household loses access to drinking water because of their inability to pay.

Last month, AMWA was one of five water sector organizations to release a landmark report¹ on policy options to consider when developing a federal low-income water customer assistance program. This report included a first-of-its-kind needs assessment that found that as many as 21.3 million household nationwide may have trouble paying their water and wastewater bills. To fully meet the needs of these “water burdened” households, up to \$7.9 billion in water bill assistance would need to be provided, every year.

Given the nation’s aging drinking water and wastewater infrastructure, expanding federal regulations aimed at protecting public health and improving water quality, and inflationary pressures affecting water treatment chemicals, AMWA expects the cost of needed water system investment to increase in the future. Upward pressure on local water rates will likely intensify in the coming years as drinking water and wastewater systems undertake projects to repair aging water infrastructure and comply with expanded regulatory mandates related to PFAS, perchlorate, lead, and other

¹ “Low-Income Water Customer Assistance Program Assessment,” April 20, 2023.

<https://www.amwa.net/index.php/publication/low-income-water-customer-assistance-program-assessment>.

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contaminants. Again, these are costs that will ultimately be passed on to all ratepayers but will be felt most severely by those at the lower end of the income scale.

The impact of rising rates on the most economically vulnerable is why AMWA strongly supports creation of a permanent, federal water assistance program to benefit low-income households. Just as existing federal programs are available to help qualifying low-income households heat their homes or purchase food, AMWA believes assistance to ensure continued water and wastewater service should be a fundamental part of the federal safety net.

AMWA appreciates that Congress has recognized this need over the past several years. In particular, AMWA and other stakeholders worked with members of the Environment and Public Works Committee during development of the Drinking Water and Wastewater Infrastructure Act (DWWIA) of 2021 to establish the Rural and Low-Income Water Assistance Pilot Program at EPA. The program authorizes the agency to award up to 40 grants to support municipally operated water and wastewater affordability programs across the country through direct aid to eligible households, lifeline rates, bill discounts, and other hardship provisions. Importantly, the pilot's funding assistance will be distributed evenly to a cross-section of small and large drinking water and wastewater systems so the EPA can identify which affordability aid approaches work best for different types of communities.

AMWA understands that EPA is currently in the process of carrying out a needs assessment on the prevalence of local or tribal governments with water service providers that serve a "disproportionate percentage ... of households with qualifying need," as well as the prevalence of local or tribal governments that "have taken on an unsustainable level of debt due to customer nonpayment" for drinking water and wastewater service. DWWIA requires the completion of this needs assessment before the pilot program can become operational, so we urge EPA to complete this task as soon as possible, and for Congress to appropriate adequate funding to allow the agency to do so. The sooner the pilot program is up and running, the sooner it can begin delivering on its promise of helping the nation's neediest households remain connected to essential water service.

Additionally, AMWA recognizes and supports Congress' action during the pandemic to avoid water service shutoffs by establishing the Low-Income Household Water Assistance Program (LIHWAP) at the Department of Health and Human Services. This was the first time that Congress directly provided funding to address the burden that rising water and sewer bills have on lower income households, and as of the first quarter of 2023 HHS reports that the program's \$1.138 billion appropriation has helped more than 636,000 households maintain access to essential water service.²

Congress established LIHWAP as a temporary program and, without further action all, program funds must be obligated by September 30 of this year. Notwithstanding, LIHWAP has proven to be a valuable resource over the past two years, and AMWA believes Congress should consider it as a model for a permanent low-income customer water assistance program. In the interim, as Congress

² <https://lihwap-hhs-acf.opendata.arcgis.com/pages/quarterly-reports>

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debates a path forward, AMWA supports providing LIHWAP with an additional \$1 billion so the program can remain operational through the 2024 fiscal year.³

Extending LIHWAP will maintain this essential assistance for at-risk households, which otherwise would abruptly be put at risk of losing their water service once the program's funding runs out. Extending the program will also provide Congress with additional data about its potential as a model for a permanent low-income water assistance program and offer an opportunity to refine the program to ensure the federal government, states, and local water systems develop best practices for delivering this aid to eligible households in a timely and efficient manner.

Gathering data about where LIHWAP has worked well, as well as areas where it could be improved, will result in valuable insights to inform whatever approach Congress takes to a permanent federal aid program for low-income water ratepayers. For example, several AMWA member utilities have noted limited participation in LIHWAP among eligible customers so far, with factors including lack of awareness of the program, burdensome enrollment requirements, and state-level water service disconnection moratoriums that depress demand for water bill assistance. Our members have also noted inefficiencies in some states' processes for notifying local water systems when a household has enrolled in the LIHWAP program, and for crediting LIHWAP funds to the proper utility accounts.

AMWA also recognizes that a number of states have been very successful at quickly standing up LIHWAP, promoting the program to eligible households, and working with water systems to apply the funds to the correct accounts. Just as we believe that LIHWAP's implementation challenges could be managed and overcome if the program is given a chance to mature, we also believe that states and communities can learn from the program's successes and duplicate those best practices across the country. This is why AMWA again urges Congress to continue funding for LIHWAP in the interim as a permanent model for low-income water ratepayer assistance is developed.

Today's hearing will help policymakers and stakeholders alike better understand national low-income water assistance needs, and identify the best policy options to address these needs. As such, AMWA appreciates the opportunity to offer its perspective. AMWA supports the establishment of a permanent federal program to help low-income households maintain drinking water and wastewater service, and we believe Congress has two promising paths forward in the Rural and Low-Income Water Assistance Pilot Program and the Low-Income Household Water Assistance Program. AMWA stands ready to work with the subcommittee to secure the place of water ratepayer assistance in the federal safety net.

Sincerely



Thomas Dobbins
Chief Executive Officer

³ <https://www.amwa.net/index.php/letter/letter-support-fy24-low-income-assistance-funding>